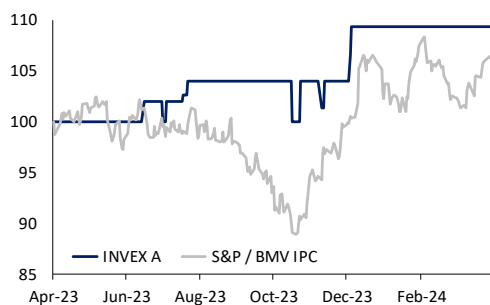


INVEX CONTROLADORA: Initiation of Coverage

Business group with a diversified portfolio in the financial, energy and investment sectors

INVEX A	BUY
Target Price (MXN\$)	\$ 115.00
Current Price (MXN\$)	\$ 82.00
Min / Max (L12M)	\$67.99 - 82.00
Expected Dividend (MXN\$)	\$ 0.52
Expected Return	40.9%
Market Cap (MXN\$ Mn)	13,375
Outstanding Shares (Mn)	163.1
Float	66.7%
6-month ADTV (MXN\$ Mn)	\$ 0.6



INVESTMENT THESIS

We are initiating coverage on Invex Controladora, S.A.B. de C.V. ("INVEX Controladora") with a BUY recommendation and a MXN\$115.0/share target price. The potential return is 40.9%, including dividends.

Solid fundamentals. INVEX Controladora is a business group with a diversified portfolio in the financial, energy and investment sectors; it has various sources of funding, it is carrying out a successful digitalization strategy of its operations; it has a solid management team and corporate governance; and it offers an attractive growth potential in net profits at a 16.8% CAGR within the 2024-2029 period.

Attractive valuation. INVEX A shares trade at a P/BV of 1.1x, which represents a discount to their Mexican and Latin American counterparts, while the projected P/E of 9.2x is slightly higher, which we believe is justified by the company's diversification into high-growth businesses. In addition, they operate at a 41.4% discount to the sum of the parts.

Target price. We set our 12-month MXN\$115.0/share target price with a Gordon Shapiro model, which includes a 13.9% cost of equity, a 4.6% perpetuity growth rate in nominal terms, and a long-term ROE of 16.5%.

MULTIPLES	2023	2024E	2025E	2026E	2027E	2028E	2029E
P/E	12.8x	9.2x	8.0x	6.7x	6.2x	5.6x	5.1x
P/BV	1.1x	1.0x	0.9x	0.8x	0.8x	0.7x	0.7x
OPERATING INDICATORS	2023	2024E	2025E	2026E	2027E	2028E	2029E
Operating Revenues	16,447	18,111	19,578	21,342	22,925	24,717	26,652
Financial Services	8,259	9,301	10,152	11,255	12,133	13,169	14,295
Energy	8,188	8,810	9,427	10,087	10,793	11,548	12,356
Financial Margin	4,209	4,915	5,432	6,272	6,937	7,739	8,657
Adjusted Financial Margin After Provisi	2,523	2,941	3,281	3,927	4,381	4,978	5,675
Net Profit	1,044	1,457	1,673	1,989	2,167	2,410	2,646

Martin Lara

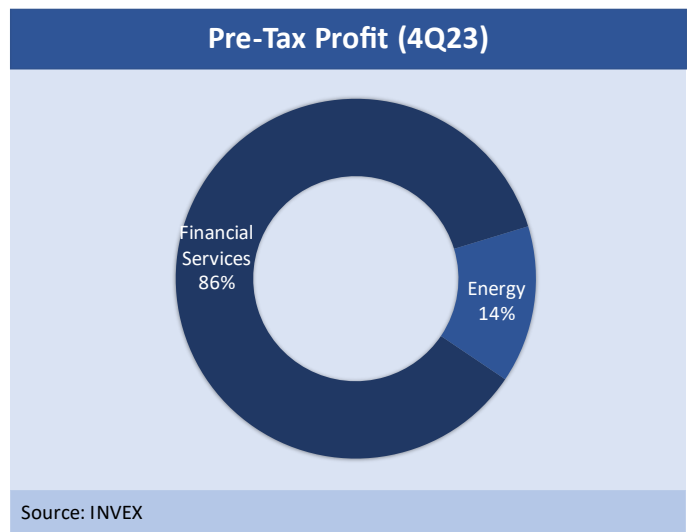
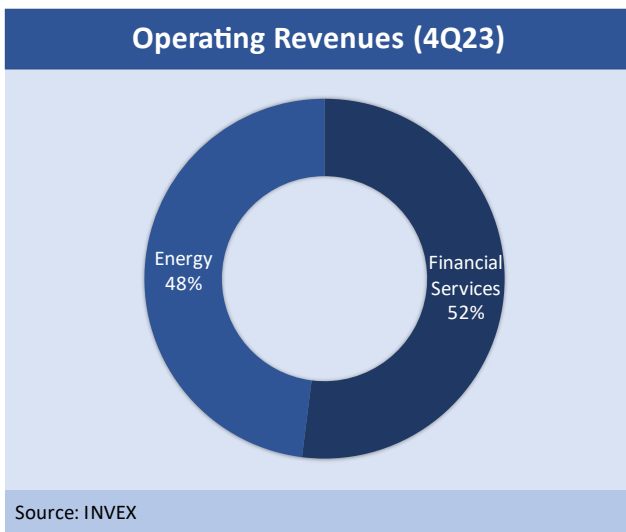
+5255-6413-8563

martin.lara@miranda-gr.com

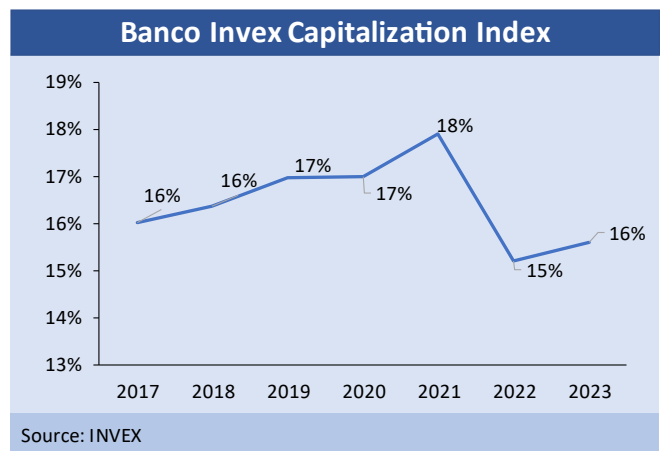
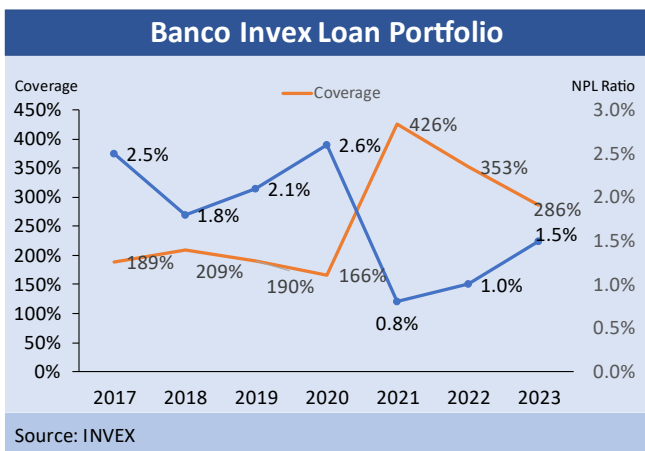
INVEX CONTROLADORA’S MAIN ADVANTAGES

Participation in high-growth businesses. INVEX Controladora manages a diversified business portfolio in the financial services, energy and infrastructure investments, and private equity divisions with a focus on real estate, which allows it to benefit from the growth of each sector, have greater financial stability, and reduce exposure to sector-specific risks.

Revenue diversification. In 4Q23, the financial services business accounted for 52% of total revenues, while the energy business contributed with the remaining 48%. In addition, INVEX Controladora receives cash distributions from its minority investments in infrastructure projects.



Solid asset quality and high capitalization in the financial business. Banco INVEX has historically maintained a low NPL ratio and high coverage. This financial institution has recorded capitalization levels above 15%.



Presence in large cities. INVEX Grupo Financiero has financial centers in Mexico City, Monterrey, Guadalajara, Querétaro, Mérida, Torreón, and Miami, which allows it to have a greater market presence. Ampper Energía’s portfolio covers the Mexican territory.

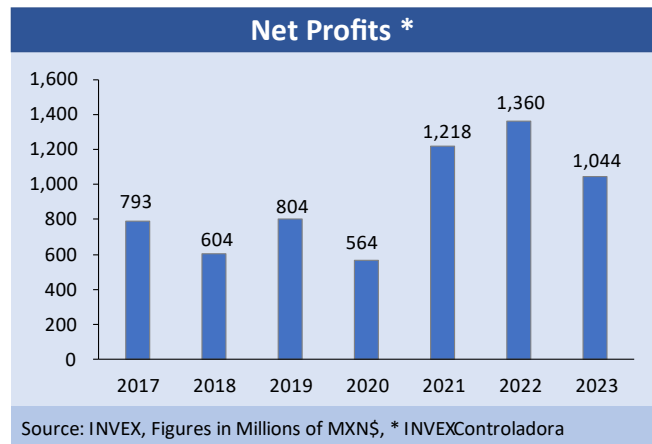
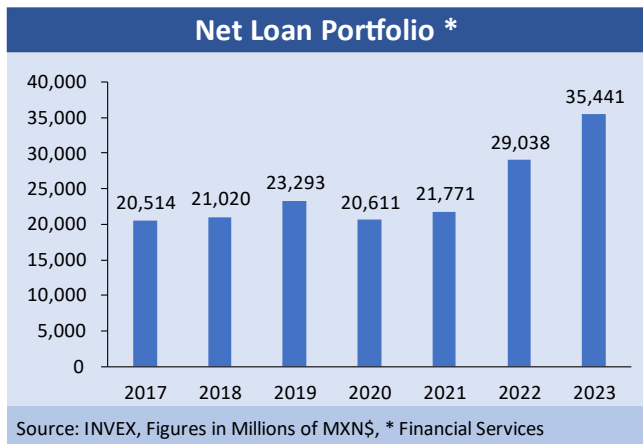
Diversified funding sources. INVEX has the following funding sources:

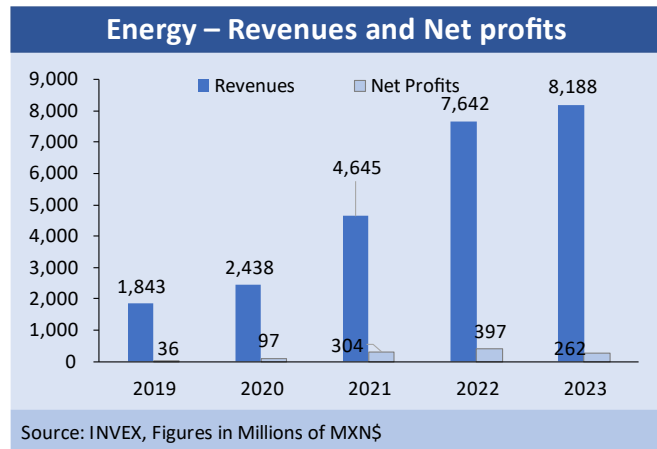
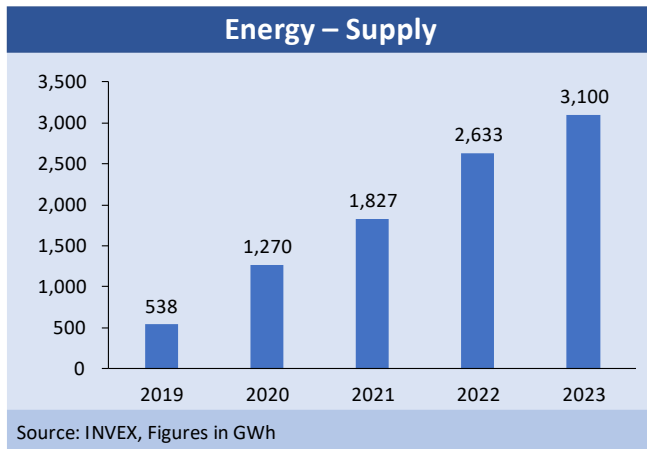
- INVEX Bank. Traditional bank deposits of MXN\$43.016 billion, which includes short-term and time deposits, and promissory notes deposits. In addition, it has development bank loans of MXN\$4.369 billion;
- INVEX CONTROLADORA. Debt amounting to MXN\$4.245 billion. It has a dual program authorized by the CNBV for up to MXN\$6.0 billion, of which it has issued MXN\$3.025 billion. It also has bank lines of MXN\$2.8 billion, of which it has drawn down MXN\$1.128 billion;
- INVEX Arrendadora. It has multiple bank lines with a drawdown balance of MXN\$1.637 billion;
- INVEX Energía. It has an unused MXN\$400 million bank line.
- INVEX Infraestructura. It does not have debt, although the projects in which it invests do.
- INVEX Capital. It has no debt.

Digital strategy. INVEX Controladora operates several websites to conduct its operations which include:

- www.invex.com with access to all INVEX Grupo Financiero products and services;
- www.ampper.com with access to products and services that provide comprehensive energy solutions in Mexico;
- www.invexcontroladora.com with information from the Investor Relations area;
- INVEX Control mobile application, where customers can check online 24 hours a day all the information related to their credit such as balances, cut-off dates, minimum payment deadlines and movements;
- Banco Digital Now app. In 2023, INVEX launched its "Now" digital bank with payment and deposit functionality;

Management with a proven track record of value creation. INVEX Controladora’s management team has grown the loan portfolio, financial margin, and net profits at a CAGR of 9.5%, 20.7%, and 4.9%, respectively, within the 2017 - 2023 period.





The main executives are:

- Juan Guichard M., Chairman of the Board of Directors and Chief Executive Officer;
- Francisco Barroso. Executive Vice President;
- Patrick Doucet. Vice President of Operations;
- Juan B. Guichard C. CEO of INVEX Capital and INVEX Energía;
- Jean Marc Mercier. CEO of INVEX Grupo Financiero;
- Federico Flores. CEO of INVEX Casa de Bolsa;
- Alfonso Ruiz Camargo. CFO of INVEX Controladora.

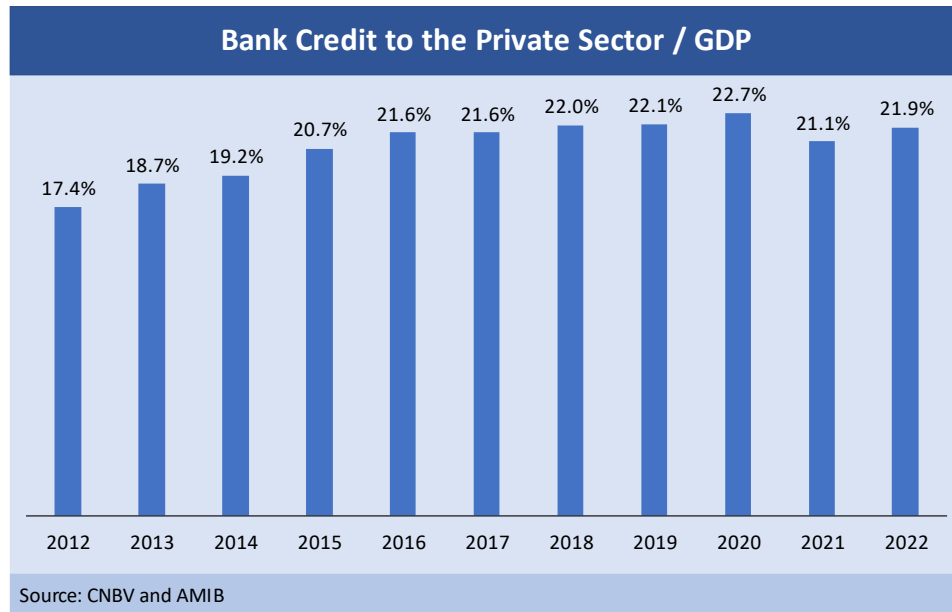
Strong Corporate Governance. INVEX CONTROLADORA's corporate governance structure includes:

- Board with 18 Directors, of which 7 are independent. In addition, 91% are men and 9% are women.
- Audit and Corporate Practices Committee, Risk Committee, Communication and Control Committee, Credit Committee, Remuneration Committee, and Financial Product Analysis Committee.

INDUSTRY CURRENT SITUATION AND OUTLOOK

Bank credit

Total bank credit accounted for 22% of GDP in 2022, according to figures from the National Banking and Securities Commission (CNBV) and the Mexican Association of Stock Market Intermediaries (AMIB). This figure was lower than that of Brazil (71.8% in 2022), Chile (112.8% in 2022) and Colombia (44.2% in 2022), according to World Bank statistics. As a result, we project that this industry will grow at an average annual rate of around 10% in nominal terms on average over the next few years.



Stock Market

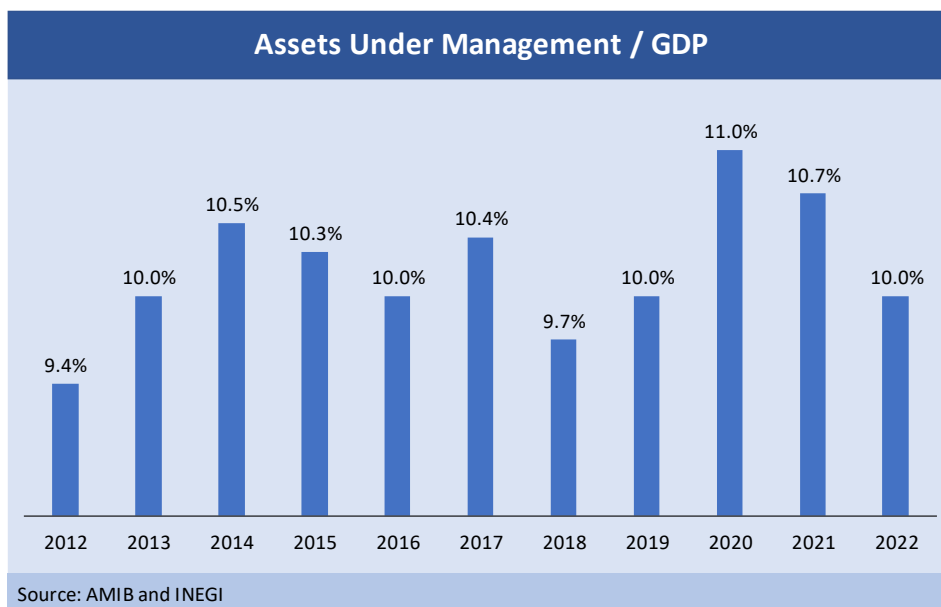
The total market capitalization of the Mexican stock market represented only 32% of GDP at the end of 2022, which was significantly below Brazil (41.4% in 2022) and Chile (94.8% in 2022), and similar to Peru (29.4% in 2022), according to World Bank figures. In recent years, the Mexican stock market has experienced several de-listings of public companies.

However, in 2023, the Mexican Government approved the reform of the Securities Market Law to incorporate the simplified registration procedure for SMEs. In our view, such a reform will support the growth of the Mexican stock market in the future.



Mutual Funds

Total assets under management by mutual funds accounted for 10.0% of Mexico's GDP in 2022 and have remained at those levels for the past few years, according to AMIB and INEGI. This figure was very low compared to other similar Latin American countries such as Brazil (79.9% in 2020, World Bank), and Chile (28.5% in 2020, World Bank) and significantly below Spain (28.9% in 2020, World Bank) and the United States (140% in 2020, World Bank). For this reason, we expect this industry to grow at an average annual rate of 7% during the 2024-2029 period, slightly above nominal GDP.



Infrastructure sector

The growth prospects for the infrastructure sector are very favorable due to the following factors:

- Natural GDP growth and nearshoring. The Mexican economy has grown at an average annual rate of 2.1% in real terms over the last 30 years (1993-2023). We believe that this rate will accelerate to around 3.5-4.0% in real terms over the next few years due to the nearshoring process. Worth mentioning that gross fixed investment rose at a significant real rate of 15.4% in 2023, which included a 22.3% increase in construction and a 9.5% increase in machinery and equipment. Morgan Stanley and Banorte estimate that exports will increase by US\$165 billion over the next 5 years as a result of nearshoring;
- Significant investments in public works by the federal government. The Mexican Government has invested heavily in the AIFA, the Mayan Train, PEMEX (Olmeca refinery), CFE, Tulum Airport, the Isthmus of Tehuantepec interoceanic corridor, and the Mexico-Toluca intercity train, among others;
- Decarbonization of production processes. The country’s goal is for clean energy to represent 35% of all energy by 2024, according to the National Electric System Development Program (PRODESEN). Although a long-term target has not been set, we estimate that it could be at least 45-50% by 2050;
- Digitalization of the economy. We believe that telephone companies’ investments in new networks, the development of the Internet of Things and artificial intelligence will continue to support the digitalization of the Mexican economy



Energy sector

In 2015, the Energy Reform was enacted, which opened the energy sector to private and foreign investment, allowing new companies and technologies to enter the market. Ambitious goals were set for renewable energy generation, with the objective that renewable energy represents 35% of all electricity by 2024, according to PRODESEN.

The outlook for the energy sector is very favorable. Electricity demand will likely grow at an average annual rate of 2.7% (base case scenario) during the 2022-2036 period, according to PRODESEN.

INVEX CONTROLADORA's OUTLOOK

We expect INVEX Controladora's net profits to grow at an average annual rate of 16.8% within the 2023-2029 period. We believe there is upside potential in our projections as we have not included the extraordinary gain that the company could potentially generate with the sale of 50% of its equity stake in Prosa, which we expect to conclude over the next 12-18 months.

In the financial services business, we expect operating revenues to grow at an average annual rate of 9.6%, driven by an average annual increase of 12.5% in the loan portfolio and the launch of new digital services, such as the "Now" debit card, which began operations last year.

In the Energy division, we expect an average 7.1% annual increase in operating revenues due to the natural expansion of the electricity resale business in Mexico and the fact that Ampper USA began operating as an electricity supplier in Texas last year. This division also created "Set The World", a company that provides environmental consultancy services. We estimate that the ROE could reach around 30% over the next few years, given that it is an "asset light" business, and that it will then stabilize at around 20%.

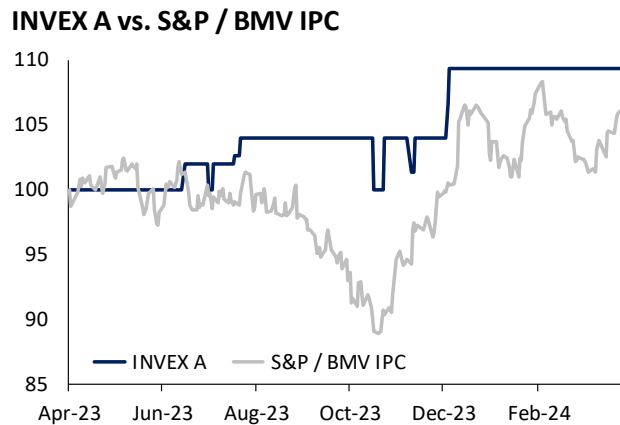
In the Infrastructure Division, we project an average annual growth of 4.0% in project revenues, with a margin of around 67%. On the other hand, INVEX Controladora received distributions amounting to MXN\$302 million in 2022 and MXN\$475 million in 2023 from the projects in which it invests. We expect recurring distributions to reach around MXN\$400 million by 2029. On the other hand, this division completed the sale of its solar energy portfolio in December last year.

The Investments Division is developing the Eniti and Union Square projects in Guadalajara, and plans tourism developments in the Baja California peninsula. This division will continue trying to sell certain land and non-strategic assets.

VALUATION

Performance vs. S&P/BMV IPC

INVEX A shares have slightly outperformed the S&P/BMV IPC over the past 12 months. We expect them to continue outperforming the index in the future due to the company's strong fundamentals and the shares' attractive valuation.

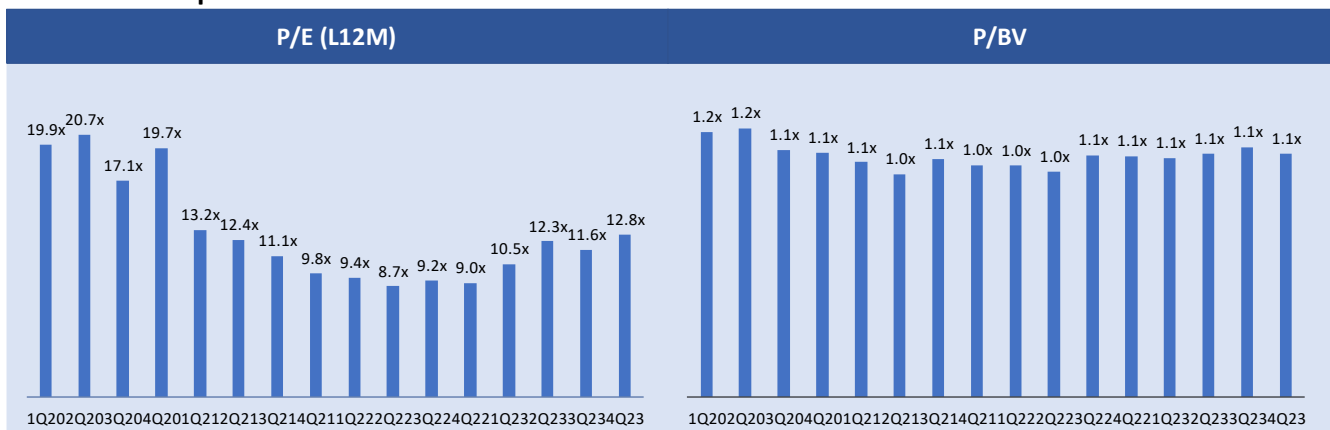


Source: Bloomberg

Historical Multiples

INVEX A shares are currently trading at 1.1x P/BV and 12.8x L12M P/E. The first multiple is in line with its historical average of 1.1x, while the second is at a slight discount to the historical average of 13.0x, as can be seen in the charts below.

Historical Multiples



Source: INVEX

Valuation – Latin American Financial Sector

INVEX's P/bv of 1.1x is lower than the 1.5x average of Latin American financial groups, despite having a more diversified business model that is less dependent on the financial business. However, INVEX's projected P/E of 9.2x is slightly higher than the average of 8.3x as the latter is influenced by Brazilian banks, which have historically traded at very low multiples. We believe that INVEX's premium in terms of projected P/E is more than justified by its diversification in the financial, infrastructure, and equity investment businesses.

Valuation Table - Latin American Financial Sector

Company	Country	Price	Mkt Cap. (USD Mn)	L12M	P/E		P/BV	ROE	Δ% Net Profit		Div. Yield
		(USD) 15-Apr-24			2023E	2024E			2023E	2024E	
Invex Controladora	Mexico	\$ 4.91	802	12.8x	9.2x	8.0x	1.1	10.1	40%	15%	0.6
Itau	Brazil	\$ 6.15	56,326	8.5x	7.2x	6.7x	1.4	n.a.	18%	7%	n.a.
NU Holdings	Brazil	\$ 11.02	52,497	50.9x	28.6x	18.8x	8.2	n.a.	78%	52%	n.a.
Bradesco	Brazil	\$ 2.39	27,064	8.9x	7.4x	5.7x	0.8	9.6	n.a.	31%	n.a.
Banco do Brasil	Brazil	\$ 10.86	31,142	4.6x	4.2x	4.1x	0.9	20.5	24%	3%	n.a.
BTG Pactual	Brazil	\$ 6.47	24,838	2.5x	10.2x	8.8x	2.3	21.6	23%	15%	n.a.
GFNorte	Mexico	\$ 10.37	29,970	10.1x	8.7x	8.0x	2.0	21.6	17%	8%	6.0
Santander Brasil	Brazil	\$ 2.45	19,570	2.3x	7.6x	6.3x	1.1	8.7	43%	21%	0.4
GFInbur	Mexico	\$ 3.01	18,403	10.5x	9.1x	8.7x	1.4	14.7	16%	5%	n.a.
Credicorp	Peru	\$ 163.50	13,005	10.0x	8.8x	7.8x	1.5	15.8	13%	13%	n.a.
Banco de Chile	Chile	\$ 0.11	11,048	7.4x	10.3x	9.8x	1.9	24.6	-28%	5%	n.a.
Banco Santander Chile	Chile	\$ 0.05	8,888	15.0x	10.7x	8.9x	1.7	11.7	40%	21%	4.0
Bancolombia	Colombia	\$ 8.48	8,367	5.9x	5.8x	5.4x	0.8	15.9	n.a.	7%	10.7
Grupo Financiero Galicia	Argentina	\$ 3.47	5,111	4.4x	6.3x	4.5x	2.0	15.5	n.a.	39%	3.4
Banbajio	Mexico	\$ 3.75	4,477	7.2x	7.0x	7.5x	1.8	28.1	4%	-8%	4.3
Banco Macro	Argentina	\$ 6.18	3,950	1.8x	9.6x	8.2x	1.6	31.1	n.a.	16%	n.a.
BBVA Argentina	Argentina	\$ 3.43	2,100	3.8x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Banco Pan	Brazil	\$ 1.79	2,278	19.3x	12.7x	8.8x	1.5	7.8	n.a.	43%	n.a.
Regional	Mexico	\$ 9.33	3,068	9.6x	8.0x	7.4x	1.8	21.2	20%	8%	4.9
Banco Patagonia	Argentina	\$ 1.54	1,111	n.a.	n.a.	n.a.	1.6	n.a.	n.a.	n.a.	4.1
Corporación Actinver	Mexico	\$ 0.90	481	7.5x	6.2x	5.6x	0.9	13.6	21%	12%	0.3
Total /Average			324,496	6.4x	8.3x	7.3x	1.5	17.1	10%	13%	3.9

Source: Bloomberg; n.a.: not available

Gordon Shapiro

We established a 12-month MXN\$115.0/share target price with a Gordon Shapiro model, which includes a 13.9 cost of equity, a 4.6% perpetuity growth rate in nominal terms and a 16.5% long-term ROE. We used a 0.634 Beta that we calculated from the average Beta of the Mexican financial group sector (deleveraged and re-leveraged with the financial structure of INVEX Controladora).

Gordon Shapiro Model

(Figures in MXN\$ Mn)

Stockholder's Equity 2024E	14,615
Long-Term ROE	16.5%
Cost of Equity	13.9%
Risk-Free Rate	9.2%
Market Risk Premium	7.4%
Beta	0.634
Perpetuity Growth Rate	4.6%
Equity Value	18,756
Outstanding Shares	163
Target Price / Share	\$ 115.00
Current Price / Share	\$ 82.00
Expected Dividend	\$ 0.52
Total Return inc/ Dividend	40.9%
Target P/BV	1.3x
Target P/E (Forward)	11.2x

Source: Miranda Global Research

Sensitivity analysis

We developed a sensitivity analysis based on different levels of P/BV and P/E multiples, compared against different levels of stockholders' equity and net profits, respectively. Our target price implies that INVEX A shares will trade at 1.3x P/BV and 11.2x estimated P/E, which we believe are conservative.

Sensitivity Analysis of the Target Price, P/BV vs. Book Value

	-10%	-5%	Original	+5%	+10%
St. Equity	13,190	13,884	14,615	15,346	16,113
Target P/BV					
0.7x	55.26	58.17	61.23	64.29	67.51
0.9x	71.44	75.20	79.15	83.11	87.27
1.1x	87.61	92.22	97.08	101.93	107.03
1.3x	103.78	109.25	115.00	120.75	126.78
1.5x	119.96	126.27	132.92	139.56	146.54
1.7x	136.13	143.30	150.84	158.38	166.30

Sensitivity Analysis of the Target Price, P/E vs. Net Profit

	-10%	-5%	Original	+5%	+10%
Projected Net Profit	1,510	1,589	1,673	1,757	1,844
Target P/E					
8.2x	76.01	80.01	84.23	88.44	92.86
9.2x	85.27	89.76	94.48	99.21	104.17
10.2x	94.53	99.50	104.74	109.98	115.48
11.2x	103.78	109.25	115.00	120.75	126.78
12.2x	113.04	118.99	125.25	131.52	138.09
13.2x	122.30	128.73	135.51	142.29	149.40

Source: Miranda Global Research

Sum of the parts

We believe that INVEX shares should also be valued with a sum-of-the-parts model due to the company's participation in various sectors such as financial services, energy, infrastructure, and investments. Based on this valuation model, we estimate that INVEX shares are currently trading at a significant 41.4% discount. Our model is based on the following assumptions:

- We assume that the pre-tax profit of the different businesses is equal to their EBITDA;
- We assume that 63% of INVEX Controladora's total capital corresponds to the financial services business, in line with its contribution to the estimated pre-tax profit for 2024; we valued the financial services business at 1.3x P/BV, which represents a discount to Latin American financial groups;
- We valued the energy business at 11.0x EV/EBITDA, in line with the average of international solar companies;
- We valued GANA at 15.x EV/EBITDA, with at a discount to the 20x of its international counterparts, according with Damodaran's valuations;
- We valued Itzoil at 11.7x EV/EBITDA, in line with its international counterparts, according to Damodaran;
- We valued the other infrastructure businesses at 5.9x EV/EBITDA, in line with the average of our sample of global infrastructure companies.

Sum-of-the-Parts Valuation

	2024E Equity	P/BV Multiple (x)		% of Invex	Estimated Market Value
Financial Services	11,800	1.3		100%	15,338
	2024E EBITDA	EV/EBITDA Multiple (x)	Total Debt	% of Invex*	Estimated Market Value
Energy	522	11.0	-	100%	5,741
Gana	1,070	15.0	4,800	23%	2,633
Itzoil	765	11.7	2,232	26%	1,775
Other	757	5.9		35%	1,571
Sum-of-the-Parts					27,059
Corporate Debt					4,245
Market Value					22,814
Outstanding Shares					163
Estimated Price Per Share					\$ 139.87
Current Price Per Share					\$ 82.00
Premium (Discount)					-41.4%

Source: Miranda Global Research; adjusted for the 75.5% of Invex Infraestructura

Global Valuation Table - Solar Generation

Company	Country	Price (USD)	Mkt. Cap. (USD Mn)	EV/EBITDA			P/E			EBITDA Δ%		Net Debt EBITDA	ROE	EBITDA Margin
		15-Apr-24		L12M	2024E	2025E	L12M	2024E	2025E	2024E	2025E			
EDP Renováveis SA	Spain	\$ 13.55	13,886	12.5x	10.2x	9.8x	41.5x	25.5x	20.0x	23%	9%	4.3x	3.1	70.8
Neoen	France	\$ 29.81	4,539	13.3x	15.5x	13.9x	27.9x	47.7x	35.5x	(1%)	28%	5.5x	6.6	104.8
ERG Spa	Italy	\$ 25.34	3,812	10.0x	9.7x	9.2x	18.5x	16.5x	15.8x	5%	9%	3.2x	9.1	71.4
Scatec Solar	Norway	\$ 6.51	1,035	10.1x	8.9x	7.8x	17.4x	18.8x	10.6x	5%	16%	6.7x	7.4	74.4
Encavis AG	Germany	\$ 17.93	2,889	13.3x	14.1x	13.0x	50.1x	30.0x	26.2x	(1%)	12%	5.1x	6.5	70.4
Solaria Energia	Spain	\$ 10.09	1,262	n.a.	11.4x	10.6x	10.9x	12.0x	10.6x	4%	22%	4.9x	24.8	104.5
Volitalia	France	\$ 7.93	1,042	17.6x	11.0x	10.9x	32.1x	34.0x	44.0x	103%	16%	9.8x	(2.2)	28.6
Audax Renovables	Spain	\$ 1.90	835	n.a.	9.6x	8.0x	67.7x	17.2x	13.4x	12%	16%	2.9x	8.6	4.2
GReenergy	Spain	\$ 28.38	869	12.8x	12.5x	9.7x	15.7x	15.0x	8.0x	19%	69%	6.0x	17.3	21.0
Average			30,170	13.3x	11.1x	10.4x	29.1x	23.9x	19.0x	15%	15%	5.4x	9.0	61.1

Source: Consensus, Miranda Global Research; n.a. = not available

Note: All figures are in US\$

Global Valuation Table - Infrastructure Sector

Company	Country	Price (USD)	Mkt. Cap. (USD Mn)	EV/EBITDA			P/E			EBITDA Δ%		Net Debt EBITDA	ROE	EBITDA Margin
		15-Apr-24		L12M	2024E	2025E	L12M	2024E	2025E	2024E	2025E			
Vinci	France	\$ 120.16	70,891	7.0x	6.6x	6.2x	13.9x	13.5x	12.6x	4%	4%	1.4x	17.4	16.9
Bouygues	France	\$ 38.42	14,573	4.6x	4.0x	3.7x	13.0x	10.4x	9.0x	1%	6%	1.8x	8.4	9.0
ACS Actividades Constr y Serv	Spain	\$ 40.01	10,876	6.0x	5.3x	5.0x	12.9x	14.8x	13.5x	14%	6%	0.2x	14.3	4.8
Eiffage	France	\$ 104.84	10,282	5.5x	5.1x	4.8x	9.4x	9.3x	8.7x	(1%)	4%	2.9x	16.0	16.8
Skanska	Sweden	\$ 17.74	7,450	11.5x	7.4x	6.3x	15.8x	13.2x	11.9x	(29%)	17%	(0.0x)	9.0	6.9
Fomento de Construc	Spain	\$ 13.18	5,752	n.a.	5.0x	4.5x	n.a.	9.7x	8.9x	3%	4%	2.4x	15.1	16.7
Hochtief	Germany	\$ 107.67	8,373	8.8x	5.7x	5.2x	14.8x	13.7x	12.6x	46%	5%	(0.3x)	44.1	3.0
Mota-Engil	Portugal	\$ 4.69	1,440	4.9x	3.4x	3.4x	23.4x	14.3x	11.7x	(0%)	5%	2.7x	29.9	13.0
Mills Estrutura e Servicos	Brazil	\$ 2.51	617	5.1x	4.5x	4.3x	11.1x	9.3x	8.3x	23%	20%	0.6x	20.6	50.5
Ferreycorp	Peru	\$ 0.77	731	5.3x	4.1x	4.2x	6.3x	6.3x	6.6x	5%	(7%)	2.3x	16.8	13.2
Average			130,984	6.7x	5.6x	5.2x	13.9x	12.4x	11.4x	3%	5%	1.4x	19.2	15.1

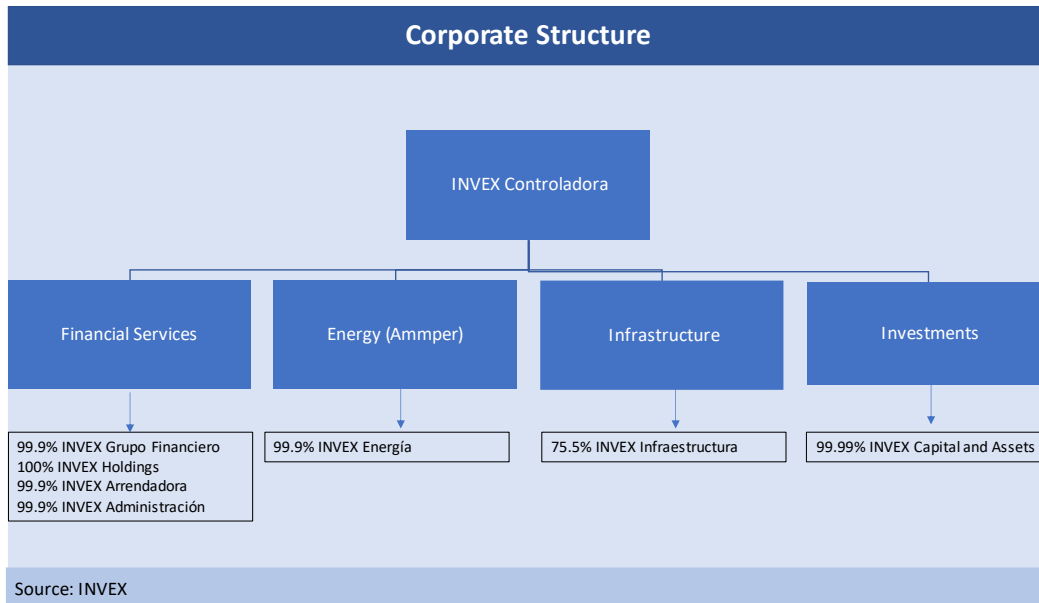
Source: Consensus, Miranda Global Research; n.a. = not available

Note: All figures are in US\$

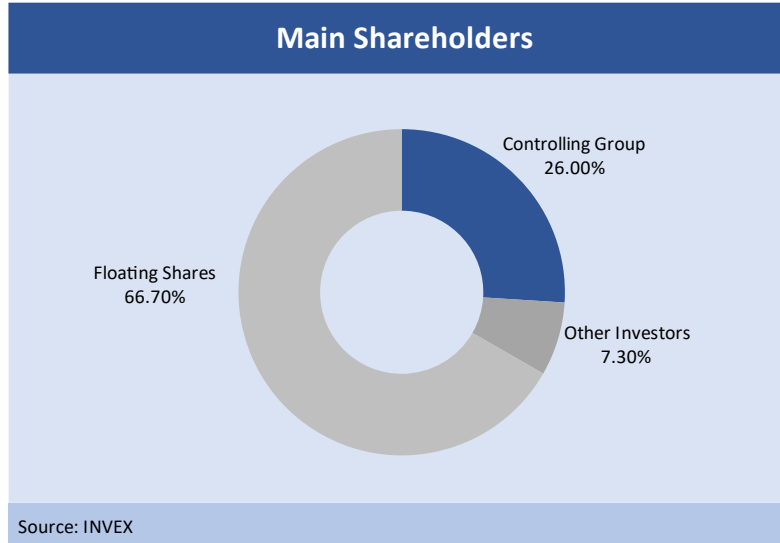
DESCRIPTION OF INVEX CONTROLADORA

INVEX Controladora is a Mexican business group that manages a diversified portfolio of financial services, energy, and infrastructure, and investments.

INVEX shareholders founded the brokerage firm on October 29th, 1991, which was the group's first business. Subsequently, on February 8th, 1994, INVEX Controladora, INVEX Grupo Financiero and INVEX Banco were incorporated. INVEX Capital was founded in 2011, INVEX Arrendadora in 2013 and INVEX Energía in 2020.



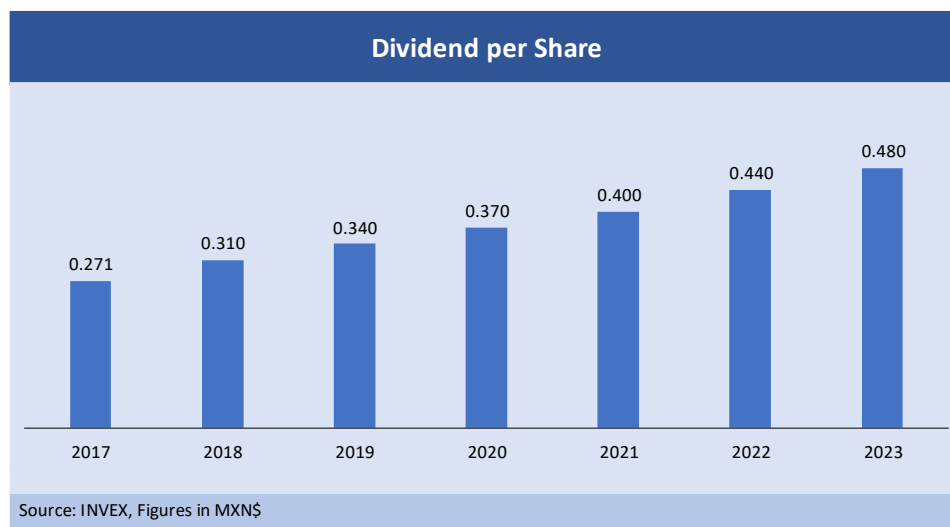
INVEX shares were listed on the Mexican Stock Exchange (BMV) in 1994 and since 2007 they have traded under the ticker symbol "INVEX A". Currently, the issuer has 163,103,921 shares outstanding. The controlling group owns 26% of total shares. Floating shares represent 2/3 of total shares.



Dividend/Buyback Policy

INVEX's policy has been to reinvest its financial resources in the expansion of its different businesses and, if conditions allow, to pay a certain amount of dividends. As a result, the company has consistently distributed dividends over the past few years with a yield of between 0.5-0.6% of the share price. In the future, we expect it to maintain a similar distribution policy.

On the other hand, shareholders have approved buyback reserves in several years over the past. The last reserve, amounting to MXN\$300 million and which is fully available, was approved at the April 27th, 2023, Annual Ordinary Meeting. It accounts for approximately 2.2% of the current market value and 3.4% of the floating shares.



Financial services

INVEX Grupo Financiero owns a bank, brokerage firm, leasing company, and operates investment companies. Its main segments are Commercial Banking, Private Banking, Consumer Banking, Fiduciary and Leasing. In the credit card segment, the bank focuses on the middle segment as it has agreements with Volaris, Ikea, Manchester United and Despegar, which reduces delinquency compared to other banking institutions. In addition, it has a solid track record in fiduciary services, business credit to medium-sized companies, and private banking. At the end of 2023, there were 21 financial groups, 50 banks, 38 multi-purpose financial companies, and 36 brokerage firms in Mexico.

Energy

Ampper Energía dedicates itself to the electricity supply in Mexico and the United States, the purchase and sale of clean energy and gas certificates, digital services, energy services (representation, physical control, energy efficiency), infrastructure and distributed generation, and environmental consulting. In 2023, the supply business accounted for 75% of revenue, sustainability for 15% and new businesses for 10%. Ampper Energía's main competitors in Mexico are CFE Calificados, Iberdrola, Fenix and Engie. During the 2018-2022 period, Ampper Energía was among the country's five largest Qualified Energy Suppliers.

Market Position in Mexico					
Position	2018	2019	2020	2021	2022
1	CFE Calificados	CFE Calificados	Iberdrola	Iberdrola	CFE Calificados
2	Iberdrola	Fenix	CFE Calificados	CFE Calificados	Iberdrola
3	Sumex	Iberdrola	Ammper Energía	Ammper Energía	Ammper Energía
4	Fisterra	RC Energy	Fenix	Fenix	Fenix
5	Ammper Energía	Ammper Energía	Engie	Engie	Engie

Source: INVEX

Investments - Infrastructure

This division engages in long-term infrastructure investments such as highways (Grupo de Autopistas Nacionales, Libramiento Ciudad Obregón) and public-private partnerships (Promotora Hospitalaria Tepic, Centro Administrativo Tlajomulco).

Investments - Equity

INVEX Capital has investments in residential developments in Guadalajara, industrial projects (Manzanillo and San Luis Potosí), Tourism (Baja California and Baja California Sur), Shopping Malls (Mazatlán and Coatzacoalcos) and 3 private equity co-investments. In addition, it offers advisory services and private equity management.

4Q23 Results

INVEX Controladora's total operating revenues reached MXN\$4.443 billion in 4Q23, up 15% YoY. The Financial Services division accounted for 52% of operating revenues, while the Energy division contributed with the remainder 48%.

Financial Services operating revenues rose 20% YoY to MXN\$2.334 billion, mainly supported by a 22% increase in the stage 1 and 2 loan portfolio with a solid performance in the consumer segment. Portfolio quality remained high with a NPL ratio of only 1.5% and coverage of 2.9x. The company moved forward in its digital strategy with the launch of "INVEX Trade", the new trading platform for stocks and mutual funds, and portfolio consultation.

The energy business' operating profit grew 10% YoY supported by a 7% increase in power supplied to 749 GWhr thanks to a higher number of customers. In 3Q23, Ammper was awarded the first natural gas operation and the first representation contract in Texas.

In the investment business, where INVEX Controladora has several minority stakes, the company received MXN\$45 million in distributions. These projects registered combined revenues of MXN\$944 million (+4% YoY) with a 67% EBITDA margin in 4Q23, compared to 65% in 4Q22. During the period, INVEX Controladora completed the sale of "Jaguar Solar", its photovoltaic solar energy portfolio.

The equity business continued to develop 2 properties in the city of Guadalajara. It has completed the construction of Tower 3 of the Entiti development with 128 apartments and is planning the construction of Tower 4 with 163 apartments.

INVEX Controladora's financial margin was up 66% YoY to MXN\$1.282 billion, driven by a 22% rise in the net loan portfolio and higher interest rates. Provisions advanced 43%, boosting the adjusted financial margin by 84%.

INVEX Controladora net profits stood at MXN\$305 million, down 26% YoY, as a result of lower trading gains, higher taxes, FX impact, and US dollar-denominated revenues.

Worth mentioning that INVEX Controladora reduced its corporate debt by 28% during the last twelve months to MXN\$4.245 billion with the funds it raised with the sale of the "Jaguar Solar" portfolio.

MAIN RISKS

Exposure to Mexico's macroeconomic situation. INVEX is exposed to the prevailing inflation, and fluctuations in interest rates, FX rate, stock and derivatives markets.

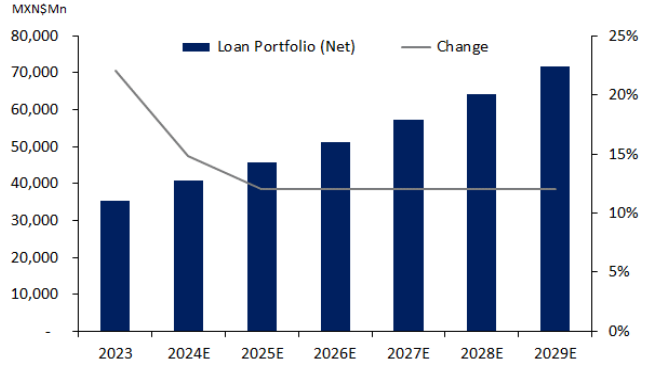
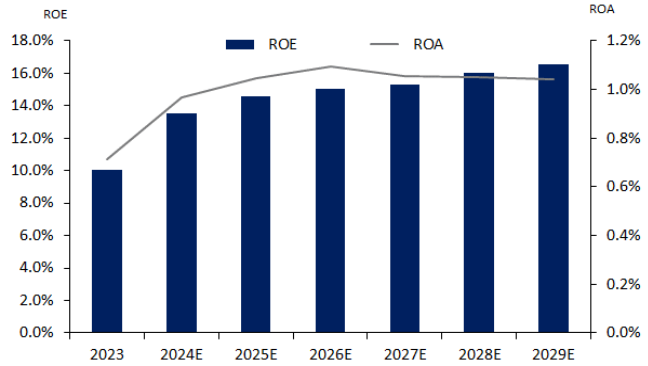
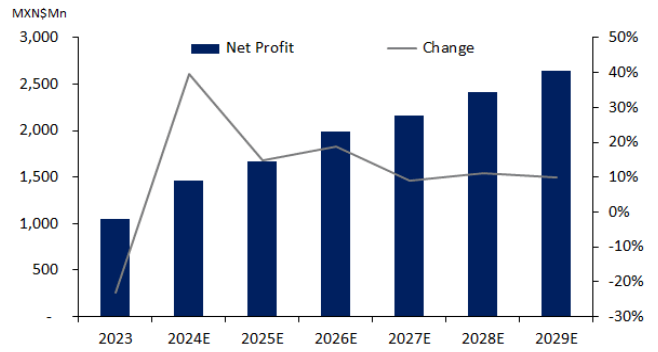
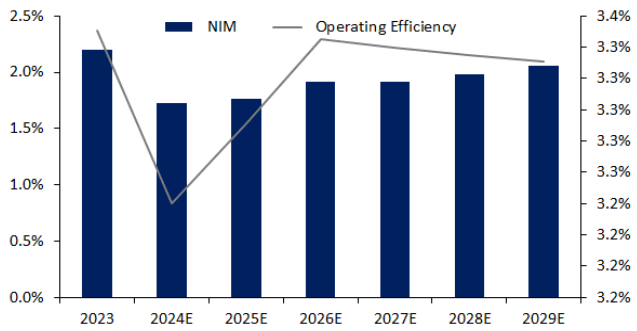
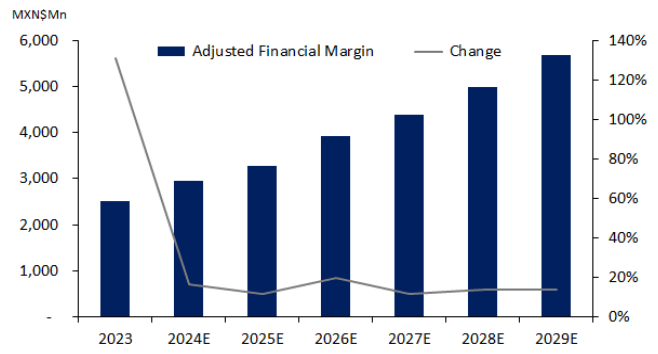
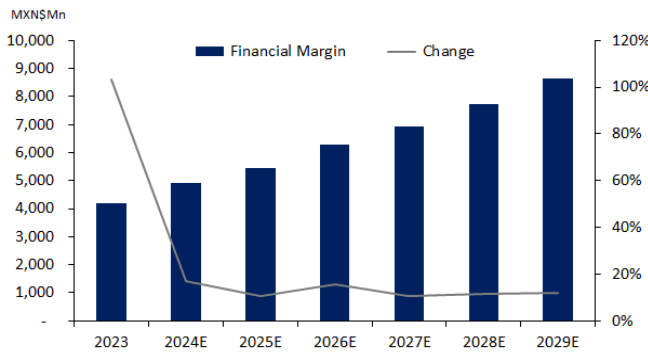
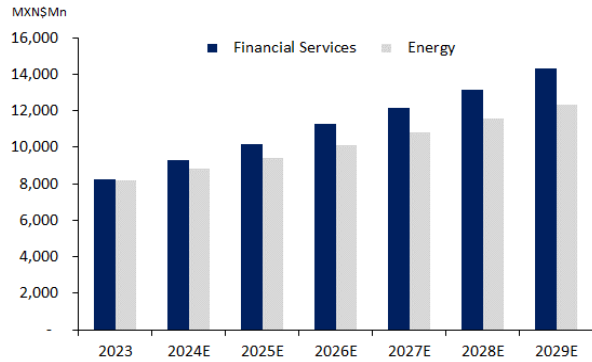
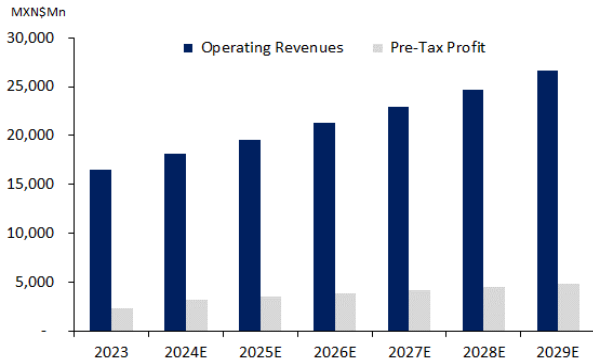
Changes in governmental/fiscal policies. Adverse regulatory changes could lead to increased competition. On the other hand, higher taxes, or the establishment of special taxes of some kind, could affect the company's performance.

Increased competition in financial services. There is intense competition from larger financial groups. In addition, in recent years several Fintech companies with novel business models have obtained authorization to operate in Mexico.

Dependency on key personnel. Any change in the company's CEO, CFO of key personnel could affect its operating and/or financial performance.

Banco INVEX does not have an extensive branch network that allows it to raise money at a low cost.

Credit risk. INVEX Banco provides loans to companies and individuals, which makes it vulnerable to default risk from such customers under an adverse macroeconomic environment.



FINANCIAL PROJECTIONS

PERFORMANCE BY BUSINESS UNIT							
(Figures in MXN\$ Mn)	2023	2024E	2025E	2026E	2027E	2028E	2029E
Operating Revenues	16,447	18,111	19,578	21,342	22,925	24,717	26,652
Financial Services	8,259	9,301	10,152	11,255	12,133	13,169	14,295
Energy	8,188	8,810	9,427	10,087	10,793	11,548	12,356
Pre-Tax Profit	2,302	3,157	3,481	3,834	4,128	4,469	4,838
Financial Services	2,244	2,587	2,823	3,130	3,374	3,663	3,976
Energy	385	522	606	648	693	742	794
Investments: Infrastructure and Equity	- 327	48	52	56	60	64	68
INCOME STATEMENT							
(Figures in MXN\$ Mn)	2023	2024E	2025E	2026E	2027E	2028E	2029E
Interest Gains	19,577	21,675	23,487	25,541	27,757	30,149	32,731
Interest Expenses	- 15,368	- 16,760	- 18,055	- 19,269	- 20,820	- 22,409	- 24,074
Financial Margin	4,209	4,915	5,432	6,272	6,937	7,739	8,657
Provisions	- 1,686	- 1,974	- 2,152	- 2,345	- 2,556	- 2,761	- 2,982
Adjusted Financial Margin After Provisions	2,523	2,941	3,281	3,927	4,381	4,978	5,675
Commissions Collected	4,092	4,827	5,213	5,631	6,081	6,567	7,093
Commissions Paid	- 737	- 938	- 1,126	- 1,351	- 1,621	- 1,946	- 2,335
Trading Results	480	297	432	504	536	608	680
Other Operating Gains (Expenses)	336	640	712	784	856	928	1,000
Administration and Promotion Expenses	- 5,019	- 5,999	- 6,718	- 7,525	- 8,277	- 9,105	- 10,015
Operating Result	1,675	1,768	1,794	1,969	1,955	2,031	2,098
Participation in Associates' Results	- 51	190	455	704	959	1,208	1,459
Pre-Tax Profit	1,624	1,958	2,249	2,674	2,914	3,239	3,557
Taxes	- 686	- 588	- 675	- 802	- 874	- 972	- 1,067
Results Before Minority Interest	938	1,371	1,574	1,872	2,039	2,268	2,490
Minority Interest	106	86	99	117	128	142	156
Net Profit	1,044	1,457	1,673	1,989	2,167	2,410	2,646
BALANCE SHEET							
(Figures in MXN\$ Mn)	2023	2024E	2025E	2026E	2027E	2028E	2029E
TOTAL ASSETS	175,182	189,034	208,431	229,772	253,166	278,890	307,180
Loan Portfolio	37,026	42,529	47,636	53,356	59,762	66,937	74,974
Stage 1 Loan Portfolio	35,727	41,086	46,016	51,538	57,723	64,650	72,408
Stage 2 Loan Portfolio	774	851	954	1,068	1,196	1,340	1,500
Stage 3 Loan Portfolio	555	622	696	780	873	978	1,095
Deferred Items	- 30	30	30	30	30	30	30
Provisions	- 1,585	- 1,821	- 2,039	- 2,284	- 2,558	- 2,865	- 3,209
Loan Portfolio (Net)	35,441	40,708	45,597	51,072	57,204	64,072	71,764
TOTAL LIABILITIES	161,939	175,236	193,052	212,502	235,236	260,066	287,234
Traditional Deposits	43,016	46,905	52,938	56,949	61,267	65,916	70,921
ST Deposits	7,223	7,666	8,137	8,636	9,166	9,728	10,325
LT Deposits	32,347	35,582	40,919	44,192	47,728	51,546	55,670
Credit Instruments Issued	3,446	3,657	3,882	4,120	4,373	4,641	4,926
Bank Loans and Other Organisms	7,643	8,112	8,610	9,138	9,699	10,294	10,926
Repo Creditors	95,223	103,072	111,569	120,766	130,721	141,496	153,160
Collateral Sold or Provided as Guarantee	5,603	6,065	6,565	7,106	7,692	8,326	9,012
Other Accounts Payable	9,325	9,953	12,242	17,415	24,729	32,905	42,086
Taxes Payable	210	210	210	210	210	210	210
Employee Benefits	420	420	420	420	420	420	420
Deferred Credits and Deposits	187	187	187	187	187	187	187
TOTAL CAPITAL	13,243	14,615	16,196	18,086	18,747	19,641	20,763
Minority Interest	985	1,087	1,205	1,345	1,394	1,461	1,544
Shareholder's Equity	12,258	13,528	14,992	16,741	17,353	18,180	19,218

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